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CITY COURT OF PLAQUEMINE
FINANCIAL REPORT
DECEMBER 31, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5/13

CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
FINANCIAL STATEMENTS
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DECEMBER 31, 2008

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PLAQUEMINE, LOUISIANA
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The Honorable Judge Michael Distefano
City Court of Plaquemine

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Plaquemine, Louisiana, a component unit of the City of Plaquemine, Louisiana as of and for the year ended December 31, 2008, which collectively comprise the basic financial statements of the City Court as listed in the table of contents. These financial statements are the responsibility of the Court's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information for the City Court of Plaquemine, Louisiana as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2009 on our consideration of City Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

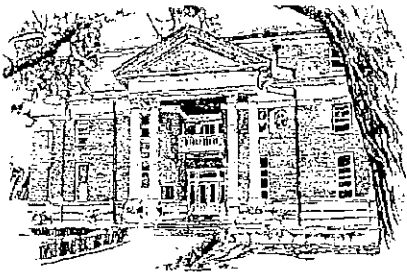
INDEPENDENT AUDITORS' REPORT (continued)

The Management's Discussion and Analysis and the other required supplementary information on pages 3 through 5 and 27 through 36, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City Court of Plaquemine, Louisiana's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Baxley & Associates, LLC

Plaquemine, Louisiana
March 30, 2009



City Court of Plaquemine

Post Office Box 1017

Plaquemine, Louisiana 70765-1017

MICHAEL M. DISTEFANO, CITY JUDGE

S.J. "Bronco" Wilbert, Marshal

Telephone: 225-687-7236 Fax 225-687-9589

Management Discussion and Analysis As of Year Ending December 31, 2008

General Information:

The City Court of Plaquemine is a statutorily created court in the State of Louisiana and constitutionally maintained by the Louisiana Constitution of 1974, located in the City of Plaquemine.

Management's discussion and analysis (MD&A) is a required element of the reporting model adopted by the Government Accounting Standard's Board (GASB) in their statement number 34. It's purpose is to provide an overview of the financial activities of the City Court of Plaquemine.

Financial Highlights:

Total Revenue: 2008. \$406,953.00

Court Expenditures: 2008. \$425,539.00

Revenues:

The revenues reflect the actual revenues as opposed to anticipated revenues. Each year's budget is based on city and parish funding and not on an accrual basis. The court's revenues consists of fees, fines, state and federal grants and the balance being supported by city and parish subsidiaries.

Expenditures:

Expenditures include court administration, personnel salaries and benefits, operating services, communication, maintenance of equipment, continuing education, travel and court materials.

There was a 9% increase in revenue compared to a 9% increase in expenses. The Court's cash flow and balances are in good order.

Overview of the Financial Statements:

Revenues by Source:	2008
Court Fees, Fines, Costs	\$ 2,720.00
Intergovernmental	\$357,278.00
Interest	\$ 597.00
Miscellaneous	<u>\$ 3,689.00</u>
TOTAL	\$364,289.00

Expenditures:	2008
Personnel Services & Benefits	\$321,573.00
Professional Fees	\$ 36,900.00
Dues and Seminars	\$ 14,017.00
Drug Testing	\$ 6,619.00
Auto and Travel	\$ 12,000.00
Office Supplies and Expense	\$ 4,468.00
Domestic Violence Grant Expense	\$ 6,600.00
Telephone	\$ 6,920.00
Miscellaneous	<u>\$ 15,934.00</u>
TOTALS	\$425,031.00

Other Financing Sources:	2008
Operating Transfers In	\$ 56,461.00
Operating Transfers Out	<u>\$ 13,792.00</u>
TOTALS	\$ 42,669.00

Excess (Deficiency) of Revenues and other sources over Expenditures and other uses	(18,078)
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Ending Fund Balances	\$ 85,037.00
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The Court submits an annual budget to the city and adheres to the budget on the expense side but the Court can only anticipate the revenue from fines and fees. The operations budget for the court maintains not only the traffic and misdemeanor court proceedings, but handles all small claims, civil suits, garnishments and evictions services to the citizens of Plaquemine.

The Court maintains its own drug lab and maintains a staff to accommodate the judge in all judicial proceedings.

This financial report is designed to provide a general overview of the City Court's finances and its operations. The Court can be contacted for additional information at:

City Court of Plaquemine
Attn: Mervin J. Gourgues
23640 Railroad Avenue
Plaquemine LA 70764

BASIC FINANCIAL STATEMENTS

EXHIBIT A

CITY COURT OF PLAQUEMINE, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2008

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 180,979
Intergovernmental receivables	15,000
Accounts receivable	4,412
Prepaid expense	1,200
Capital assets (net of accumulated depreciation):	
Furniture and fixtures	<u>1,866</u>
TOTAL ASSETS	<u><u>\$ 203,457</u></u>
 LIABILITIES AND NET ASSETS	
LIABILITIES	
Other payables	\$ 116,554
TOTAL LIABILITIES	<u><u>116,554</u></u>
 NET ASSETS	
Invested in capital assets, net of related debt	1,866
Unrestricted	85,037
TOTAL NET ASSETS	<u><u>\$ 86,903</u></u>

The accompanying notes are an integral part of this statement.

EXHIBIT B

CITY COURT OF PLAQUEMINE
 PLAQUEMINE, LOUISIANA
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Governmental Activities
	2008
EXPENDITURES/EXPENSES	
General Government:	
Administration	\$ 321,573
Operating services	85,168
Travel	12,000
Materials and supplies	5,385
Depreciation	1,413
TOTAL EXPENDITURES/EXPENSES	425,539
PROGRAM REVENUES	
Court fees, fines and costs	2,720
Intergovernmental	357,278
Miscellaneous	3,689
TOTAL PROGRAM REVENUES	363,687
NET PROGRAM EXPENSE	(61,852)
GENERAL REVENUE	
Investment earnings	597
Transfers	42,669
TOTAL GENERAL REVENUES	43,266
CHANGE IN NET ASSETS	(18,586)
NET ASSETS	
Beginning of the year	105,489
End of the year	\$ 86,903

The accompanying notes are an integral part of this statement.

EXHIBIT C

CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
COMBINED BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	General Fund	Marshal's Fund	Probation Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 40,010	\$ 10,505	\$ 13,473	\$ 116,991	\$ 180,979
Account receivable	1,781	769	436	1,426	4,412
Prepaid expense	-	-	-	1,200	1,200
Intergovernmental receivables	10,000	5,000	-	-	15,000
Interfund receivables	9,595	-	1,100	1,320	12,015
TOTAL ASSETS	\$ 61,386	\$ 16,274	\$ 15,009	\$ 120,937	\$ 213,606
LIABILITIES AND FUND BALANCES					
Liabilities					
Interfund payable	\$ 1,920	\$ 37	\$ 9,558	\$ 500	\$ 12,015
Other payables	-	-	-	116,554	116,554
Total Liabilities	1,920	37	9,558	117,054	128,569
Fund Balance	59,466	16,237	5,451	3,883	85,037
TOTAL LIABILITIES AND FUND BALANCE	\$ 61,386	\$ 16,274	\$ 15,009	\$ 120,937	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

1,866

Net assets of governmental activities

\$ 86,903

The notes to the financial statements are an integral part of this statement.

CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	General Fund	Marshal's Fund	Probation Fund	Other Governmental Funds	Totals 2008
REVENUES					
Court fees, fines and costs	\$ -	2,720	\$ -	\$ -	2,720
Intergovernmental	181,609	90,004	61,018	24,647	357,278
Interest	597	-	-	-	597
Miscellaneous revenue	1,361	853	1,475	-	3,689
TOTAL REVENUES	183,567	93,577	62,493	24,647	364,284
EXPENDITURES					
Auto and travel	-	12,000	-	-	12,000
Drug testing	-	-	6,619	-	6,619
Dues and seminars	6,310	7,612	-	95	14,017
Office supplies and expense	2,160	2,293	-	15	4,468
Professional fees	8,500	-	22,000	6,400	36,900
Personnel services and related benefits	162,262	89,254	31,927	38,130	321,573
Domestic Violence Grant expense	-	-	6,600	-	6,600
Telephone	4,419	1,284	-	1,217	6,920
Miscellaneous	10,913	3,946	23	1,052	15,934
TOTAL EXPENDITURES	194,564	116,389	67,169	45,909	425,031
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,997)	(22,812)	(4,676)	(22,262)	(60,747)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	19,480	11,019	4,741	21,221	56,461
Operating transfers out	(13,792)	-	-	-	(13,792)
TOTAL OTHER FINANCING SOURCES (USES)	5,688	11,019	4,741	21,221	42,669
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(5,309)	(11,793)	65	(1,041)	(18,078)
FUND BALANCE (DEFICIT), Beginning	64,775	28,030	5,386	4,924	103,115
FUND BALANCE (DEFICIT), Ending	\$ 59,466	\$ 16,237	\$ 5,451	\$ 3,883	\$ 85,037

The accompanying notes are an integral part of this statement.

CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

Amounts reported for governmental activities are
different because:

Net Change in fund balances - total governmental funds (page 10)	\$ (18,078)
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Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

(508)

Change in net assets of governmental activities (page 8)	<u>\$ (18,586)</u>
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The accompanying notes are an integral part of this statement.

EXHIBIT F

CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
STATEMENT OF FIDUCIARY RESPONSIBILITIES
AGENCY FUNDS
DECEMBER 31, 2008

	<u>Totals 2008</u>
ASSETS	
Cash	\$ 115,270
Accounts receivable	<u>1,284</u>
TOTAL ASSETS	<u>\$ 116,554</u>
 LIABILITIES AND FUND BALANCES	
Other payables	<u>\$ 116,554</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 116,554</u>

The accompanying notes are an integral part of this statement.

**CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE A: SIGNIFICANT ACCOUNTING POLICIES

The City Court of Plaquemine was created under the provisions of Louisiana Revised Statute 13:2488.61. The City Court judge and marshal are elected by the voters of the City of Plaquemine and serve a term of six years as provided by Louisiana Revised Statutes 13:1872 and 13:1879 respectively.

The financial statements of the City Court of Plaquemine have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies and practices:

Financial Reporting Entity

The City Court judge and marshal are independently elected officials. However, the Court is fiscally dependent of the City of Plaquemine for office space, courtrooms, and related utility costs, as well as partial funding of salary costs. Because the Court is fiscally dependent on the City, the City Court was determined to be a component unit of the City of Plaquemine, the financial reporting entity.

The financial statements present information only on the funds maintained by the Court and do not present information on the City of Plaquemine, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Fund Accounting

The accounts of the City Court of Plaquemine are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The various funds are grouped in the financial statements in this report into three generic fund types as follows:

A. Governmental Funds

1. General Fund

The General Fund is the general operating fund of the City Court. It is used to account for all financial resources except those required to be accounted for in another fund.

**CITY COURT OF PLAQUEMINE
NOTES TO FINANCIAL STATEMENTS**

NOTE A: SIGNIFICANT ACCOUNTING POLICIES, continued

2. Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, or major capital projects) that are legally restricted to expenditures for specific purposes.

B. Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the municipality. Fiduciary funds include:

Agency Funds

Agency Funds account for assets that the municipality holds on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the City Court of Plaquemine. For the most part, the effect of the interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**CITY COURT OF PLAQUEMINE
NOTES TO FINANCIAL STATEMENTS**

NOTE A: SIGNIFICANT ACCOUNTING POLICIES, continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

On January 1, 2003, the Court adopted the provisions of Governmental Accounting Standards Board Statement No. 34 (Statement 34) "*Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments.*" Statement 34 established standards for external reporting for all state and local governmental entities which includes a statement of net assets, a statement of activities and changes in net assets and a statement of cash flows. It requires the classification of net assets into three components - invested in capital assets, net of related debt; restricted; and unrestricted.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claim and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

City Court of Plaquemine, Louisiana reports the following governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Marshal's Fund* is used to account for the activities of the Marshal's office financed by revenue from court costs designated for that purpose.

**CITY COURT OF PLAQUEMINE
NOTES TO FINANCIAL STATEMENTS**

NOTE A: SIGNIFICANT ACCOUNTING POLICIES, continued

The *Public Defender Fund* was created in 1988 to account for the activities of the Public Defender financed by revenue from court costs designated for that purpose, as provided by R.S. 13:2488.61(c).

The *Probation Fund* is used to account for probation fees collected by the City Court.

The *City Prosecutor Fund* is used to account for activities of the City Prosecutor's office financed by revenue from court costs designated for that purpose.

The *Fines, Fees, and Costs Fund* is used to account for fines and costs collected for and payable to the City of Plaquemine, Court Expense General Fund, various state agencies, Marshal's Fund, Subpoena Fund, City Prosecutor Fund, and Public Defender Fund.

The *Civil Fund* is used to account for advance costs collected from plaintiffs filing civil suits. These costs are payable to the City Court of Plaquemine's Judge and Marshal and to the Judges' Supplemental Compensation Fund, as costs are assessed. The difference between the costs advanced by the plaintiffs and the costs assessed against the advance is classified as receivable from or payable to the plaintiff.

The *Garnishment Fund* is used to account for collection and distribution of garnishments by the City Marshal. Garnishments are collected from garnishees by the Marshal on behalf of petitioners to be paid to petitioners less a fee paid to the Marshal.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. "Measurable" meaning the amount of the transaction can be determined and "available" meaning collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenue available if collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when obligations are expected to be liquidated with expendable available financial resources. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual funds use the following practices in recording revenues and expenditures:

A. Revenues

Substantially all revenues are recorded when received. Certain receipts, as advanced deposits on fines to be finalized on the next court session, are recorded as advance deposits on fines and are not allocated to individual funds until formalized by court action.

**CITY COURT OF PLAQUEMINE
NOTES TO FINANCIAL STATEMENTS**

NOTE A: SIGNIFICANT ACCOUNTING POLICIES, continued

B. Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

C. Other Financing Sources (Uses)

Transfers between funds, which are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses). Other financing sources (uses) are recorded when the City Judge determines a transfer will not be repaid.

Basis of Presentation

The accompanying financial statements of the City Court of Plaquemine have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Assets, Liabilities, and Net Assets or Equity

A. Cash and Cash Equivalents

Cash includes amounts in both interest bearing and non interest bearing demand deposits. Under state law, the City Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal office in Louisiana. These deposits are stated at cost which approximates market value.

B. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

C. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and estimated useful lives in excess of 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

**CITY COURT OF PLAQUEMINE
NOTES TO FINANCIAL STATEMENTS**

NOTE A: SIGNIFICANT ACCOUNTING POLICIES, continued

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment for the primary government, as well as the component units and enterprise funds, is depreciated using the straight line method using the following useful lives:

Asset Class	Governmental Funds
Buildings	40 Years
Furniture and Fixtures	5 -10 Years
Vehicles	5 Years

D. Interest Cost

Interest costs are not capitalized.

E. Fund Equity

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Designated Fund Balance

Designated fund balances represent tentative plans for future use of financial resources.

Budget and Budgetary Accounting

The proposed budget for the year ended December 31, 2008 was prepared and is available at the City Court's office for public inspection. The budget is legally adopted and amended, as necessary, by the City Court Judge. All appropriations lapse at year-end.

In preparing its budgets, the City Court does not include on-behalf payments made on its behalf by other governmental entities for salaries, benefits, and expenses. On-behalf payments are discussed in Note K.

**CITY COURT OF PLAQUEMINE
NOTES TO FINANCIAL STATEMENTS**

NOTE B – COURT OPERATIONS

All fines collected by the court are required to be remitted to the City of Plaquemine. Court costs (both criminal & civil) assessed by the Judge in accordance with applicable schedules are used to pay the operational expenses of the court and other expenditures as may be approved by the Judge. The salaries of the City Marshal, City Court Clerk, City Court Prosecutor, and other City Court employees are to be paid by the City of Plaquemine. The Marshal receives supplementary pay from the state of Louisiana. The Judge's salary is paid by State Judiciary Department, City of Plaquemine, and the Iberville Parish Council. As required by Louisiana Revised Statutes, the City of Plaquemine is responsible for funding the operations of the City Court. The City pays all salaries and some expenses of the Court. The City Court reimburses the City for some of the salaries paid by the City on behalf of the Court and pays some of its own expenses if funds are available.

In addition to a salary, the Judge is entitled to receive the same fees as are payable to the Justices of the Peace in all civil cases where the amount involved does not exceed \$100, exclusive of interest, and the same fees as are payable to the Clerk of District Court in all other civil cases. The Judge shall receive no fees in criminal matters. These fees are collected by and paid out of the Civil Fund, an agency fund.

R.S. 13:1899 provides that the City Judge in all criminal cases may assess a sum not to exceed ten dollars as additional costs of court, the proceeds from which shall be deposited in a special account, subject to audit, and used to defray operational expenses of the office of the Marshal of the Court, all as may be useful and necessary for the proper conduct of the Marshal's office, and all as may be approved by said Marshal.

R.S. 13:2488.61 C. was amended in July, 1988 to include a public defender's salary that shall be fixed by the Judge and paid out of court costs assessed for the public defender.

R.S. 13:2488.62 C. (4) provides that the City Court Judge may assess court costs against every defendant who is convicted after trial or after he pleads guilty to a traffic violation or misdemeanor to defray the expenses of the City Prosecutor. Such court costs shall not exceed seventeen dollars and fifty cents per violation or misdemeanor.

In addition to paying the salaries noted above, the City of Plaquemine also provides services, insurance, and facilities to the City Court at no charge to the Court.

**CITY COURT OF PLAQUEMINE
NOTES TO FINANCIAL STATEMENTS**

NOTE C – CHANGES IN CAPITAL ASSETS

The following is a summary of capital assets as of December 31, 2008:

	Balance 12/31/2007	Additions	Deletions	Balance 12/31/2008
Furniture and fixtures	\$ 141,998	\$ 905	\$ -	\$ 142,903
	<u>\$ 141,998</u>	<u>\$ 905</u>	<u>\$ -</u>	<u>\$ 142,903</u>

	Accumulated Depreciation Balance 12/31/2007	Additions	Deletions	Accumulated Depreciation Balance 12/31/2008	Capital Assets Net of Accumulated Depreciation
Furniture and fixtures	\$ 139,624	\$ 1,413	\$ -	\$ 141,037	\$ 1,866
	<u>\$ 139,624</u>	<u>\$ 1,413</u>	<u>\$ -</u>	<u>\$ 141,037</u>	<u>\$ 1,866</u>

NOTE D – INTERFUND RECEIVABLE, PAYABLES

	Interfund Receivables	Interfund Payables
GENERAL FUND:		
Court Expense Fund	\$ 9,595	\$ 1,920
SPECIAL REVENUE FUND:		
Marshal's Fund	-	37
Public Defender Fund	1,320	500
Probation Fund	1,100	9,558
	<u>\$ 12,015</u>	<u>\$ 12,015</u>

**CITY COURT OF PLAQUEMINE
NOTES TO FINANCIAL STATEMENTS**

NOTE E – DEPOSITS AND CASH EQUIVALENTS

At year end, the City Court of Plaquemine's carrying amount of deposits was \$180,979 and the bank balance was \$241,524. The entire bank balance was covered by federal depository insurance.

Cash Equivalents (near cash investments) are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by government or its agent in City Court's name.
2. Uninsured and unregistered, with securities held by the counter-party, or by its trust department or agent in City Court's name.
3. Uninsured and unregistered, with securities held by the counter-party, or by its trust department or agent but not in City Court's name.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging bank in a custodial bank that is mutually acceptable to both parties.

Even though the pledged securities are considered collateralized (Category 1) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City Court that the fiscal agent has failed to pay deposited funds upon demand.

NOTE F – RELATED PARTY TRANSACTIONS

Salaries and benefits of the City Marshal, City Court Clerk, City Prosecutor, and other City Court employees are paid by the City of Plaquemine. The City also pays expenses of the City Court as required by law. Retirement systems contributions and other benefits for eligible employees are paid by the City of Plaquemine. The Judge's salary is paid by the State Judiciary Department, the City of Plaquemine, and the Iberville Parish Council. The Probation Officer's and a portion of the Public Defender's salaries and/or benefits are paid by the City of Plaquemine. The City is reimbursed out of the various funds of the Court for a portion of the salaries paid.

The City of Plaquemine insures the fixed assets of the City Court against any loss or damage. In addition the City provides facilities, liability insurance, audit and other services to the court at no cost to the court.

**CITY COURT OF PLAQUEMINE
NOTES TO FINANCIAL STATEMENTS**

NOTE G – RISK MANAGEMENT

The City Court is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City Court is covered by insurance provided by the City of Plaquemine at levels which management believes is adequate to protect the City Court. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

NOTE H – INTERGOVERNMENTAL REVENUE

Intergovernmental revenue for the years ended December 31, 2008 consisted of the following:

<u>General Fund</u>	<u>2008</u>
General support:	
Iberville Parish Council	\$ 30,000
State of Louisiana	37
Other	32
On-behalf payments of salaries and benefits:	
Iberville Parish Council through City of Plaquemine	26,400
City of Plaquemine	<u>125,140</u>
Total General Fund	<u><u>\$ 181,609</u></u>

Special Revenue Funds

<u>Marshal's Fund</u>	<u>2008</u>
General support:	
Iberville Parish Council	\$ 22,500
City of Plaquemine	
State grant	28,800
On-behalf payments of salaries and benefits:	
Iberville Parish Council through City of Plaquemine	13,200
City of Plaquemine	20,404
State of Louisiana	<u>5,100</u>
Total Marshal's Fund	<u><u>\$ 90,004</u></u>

**CITY COURT OF PLAQUEMINE
NOTES TO FINANCIAL STATEMENTS**

NOTE H – INTERGOVERNMENTAL REVENUE, continued

<u>Public Defender Fund</u>	<u>2008</u>
On-behalf payments of salaries and benefits:	
City of Plaquemine	\$ 7,230
Total Public Defender Fund	<u>\$ 7,230</u>
<u>Probation Fund</u>	<u>2008</u>
General support:	
City of Plaquemine	\$ 10,000
On-behalf payments of salaries and benefits:	
City of Plaquemine	31,927
Grant-Subgrant from Louisiana Commission on Law Enforcement and Administration of Criminal Justice - matching fund grant	<u>19,091</u>
Total Probation Fund	<u>\$ 61,018</u>
<u>Pre-Trial Diversion Fund</u>	<u>2008</u>
General support:	
Iberville Parish Council	\$ 17,417
Total Pre-Trial Diversion Fund	<u>\$ 17,417</u>
Total All Funds	<u>\$ 357,278</u>

**CITY COURT OF PLAQUEMINE
NOTES TO FINANCIAL STATEMENTS**

NOTE I – RETIREMENT COMMITMENTS

Louisiana State Employee's Retirement System (LASERS)

Plan Description

The City Court's Judge participates in the LASERS, a cost sharing multiple employer defined benefit pension plan administered by a separate Board of Trustees. The Judge receives fees from the City Court Civil Fund on which retirement contributions are computed. LASERS provides retirement, disability, and survivor benefits to participating, eligible employees. Benefits are established and amended by state statute. LASERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana, 70804-4213, or by calling (225)922-0600.

Funding Policy

The City Court Judge is required by State statute to contribute 11% of his annual covered salary and the Court is required to contribute at an actuarially determined rate. The current employer rate is 20.40% of annual covered payroll. The contribution requirements of plan members and the employer are established by, and may be amended by, state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Court's contributions to LASERS for the years ended December 31, 2008, 2007, 2006, 2005, 2004, 2003, 2002, 2001, 2000, 1999 and 1998 were \$19,677, \$20,985, \$12,050, \$11,066, \$11,954, \$14,793, \$11,257, \$8,768, \$7,864, \$7,322, and \$7,126 respectively, and were equal to the required contributions for each year.

Municipal Employees Retirement System of Louisiana (MERS)

Plan Description

The City Marshal and other eligible court employees participate in the MERS, a cost sharing, multiple employer defined benefit pension plan administered by a separate Board of Trustees. The Marshal receives compensation from the City Court Civil Fund on which retirement contributions are based. MERS provides retirement, disability, and survivor benefits to participating, eligible employees. Benefits are established and amended by state statute. MERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana, 70809 or by calling (225)925-4810.

**CITY COURT OF PLAQUEMINE
NOTES TO FINANCIAL STATEMENTS**

NOTE I – RETIREMENT COMMITMENTS, continued

Funding Policy

Plan members are required by state statute to contribute 15% of their annual covered salary and employers are required to contribute at an actuarially determined rate. The current employer rate is 13.50% of annual covered payroll. The contribution requirements of plan members and employers are established by, and may be amended by, state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior year. The Court's contributions to MERS for the years ended December 31, 2008, 2007, 2006, 2005, 2004, 2003, 2002, 2001, 2000, 1999 and 1998 were \$24,968, \$25,751, \$24,251, \$22,355, \$19,447, \$14,573, \$10,725, \$7,025, \$8,083, \$7,336, and \$6,799 respectively, and were equal to the required contributions for each year.

The retirement contributions for eligible court employees and the Marshal's regular and supplemental salary are paid by the City of Plaquemine, Iberville Parish and the State of Louisiana.

NOTE J – CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS

The following is a summary of changes in assets and liabilities of all agency funds for the years ending December 31, 2008:

	<u>Balance 1/1/2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/2008</u>
<u>Fines, Fees, and Costs Fund</u>				
Assets	\$ 2,022	\$ 54,730	\$ (54,838)	\$ 1,914
Liabilities	\$ 2,022	\$ 54,730	\$ (54,838)	\$ 1,914
<u>Civil Fund</u>				
Assets	\$ 67,288	\$ 132,637	\$ (118,963)	\$ 80,962
Liabilities	\$ 67,288	\$ 132,637	\$ (118,963)	\$ 80,962
<u>Garnishment Fund</u>				
Assets	\$ 37,036	\$ 323,431	\$ (326,789)	\$ 33,678
Liabilities	\$ 37,036	\$ 323,431	\$ (326,789)	\$ 33,678

**CITY COURT OF PLAQUEMINE
NOTES TO FINANCIAL STATEMENTS**

NOTE K – ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

In accordance with GASB Statement 24, on-behalf payments made by the City of Plaquemine, the Iberville Parish Council, and the State of Louisiana are recognized as revenues and expenditures in these financial statements. The on-behalf payments are shown as intergovernmental revenue in these financial statements. The details of the amount recognized as revenue are disclosed in Note H. A summary for the year ending December 31, 2008 is as follows:

	<u>2008</u>
General Fund	\$ 151,540
Marshal's Fund	38,704
Public Defender Fund	7,230
Probation Fund	<u>31,927</u>
Total	<u>\$ 229,401</u>

Amounts equal to the revenue recognized have been included as expenditures in the various funds in the personal services and related benefits category.

NOTE L – PUBLIC DEFENDER REVENUES AND EXPENDITURES

For the year ended December 31, 2008, the major sources of governmental fund revenues and expenditures for the Public Defender were as follows:

Local government	
On behalf payments	\$ 7,230
Miscellaneous - Transfer in from other funds	<u>18,657</u>
Total Revenues	<u>\$ 25,887</u>
Personnel Services & Benefits	
Salaries	\$ 14,400
On behalf payments - insurance	<u>7,230</u>
	<u>21,630</u>
Operating Costs	
Professional fees	6,400
Bank charges	<u>47</u>
	<u>6,447</u>
Total Expenditures	<u>\$ 28,077</u>

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT G

CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	DECEMBER 31, 2008			
	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental	\$ 180,000	\$ 180,000	\$ 181,609	\$ 1,609
Interest	600	600	597	(3)
Miscellaneous	1,400	1,400	1,361	(39)
TOTAL REVENUES	182,000	182,000	183,567	1,567
EXPENDITURES				
Dues and subscriptions	6,200	6,200	6,310	(110)
Office supplies and expense	2,100	2,100	2,160	(60)
Professional fees	8,450	8,450	8,500	(50)
Personnel services and related benefits	160,000	160,000	162,262	(2,262)
Telephone	4,500	4,500	4,419	81
Miscellaneous	11,000	11,000	10,913	87
TOTAL EXPENDITURES	192,250	192,250	194,564	(2,314)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,250)	(10,250)	(10,997)	(747)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	19,480	19,480
Operating transfers out	-	-	(13,792)	(13,792)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	5,688	5,688
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(10,250)	(10,250)	(5,309)	4,941
FUND BALANCES - BEGINNING	64,775	64,775	64,775	-
FUND BALANCES - ENDING	\$ 54,525	\$ 54,525	\$ 59,466	\$ 4,941

EXHIBIT H

CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
MARSHAL'S FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

DECEMBER 31, 2008				
	Original Budget	Final Budget	Actual	Variance
REVENUES				
Court fees, fines and costs	\$ 2,800	\$ 2,800	\$ 2,720	\$ (80)
Intergovernmental	90,000	90,000	90,004	4
Miscellaneous	850	850	853	3
TOTAL REVENUES	93,650	93,650	93,577	(73)
EXPENDITURES				
Auto and travel	12,000	12,000	12,000	-
Dues and subscriptions	7,500	7,500	7,612	(112)
Office supplies and expense	2,400	2,400	2,293	107
Personnel services and related benefits	90,000	90,000	89,254	746
Telephone	1,250	1,250	1,284	(34)
Miscellaneous	4,000	4,000	3,946	54
TOTAL EXPENDITURES	117,150	117,150	116,389	761
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(23,500)	(23,500)	(22,812)	688
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	11,019	11,019
TOTAL OTHER FINANCING SOURCES (USES)	-	-	11,019	11,019
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(23,500)	(23,500)	(11,793)	11,707
FUND BALANCES - BEGINNING	28,030	28,030	28,030	-
FUND BALANCES - ENDING	\$ 4,530	\$ 4,530	\$ 16,237	\$ 11,707

EXHIBIT I

CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
PROBATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	DECEMBER 31, 2008			
	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 61,018	\$ 1,018
Miscellaneous	1,500	1,500	1,475	(25)
TOTAL REVENUES	<u>61,500</u>	<u>61,500</u>	<u>62,493</u>	<u>993</u>
EXPENDITURES				
Drug testing	6,700	6,700	6,619	81
Professional fees	22,000	22,000	22,000	-
Personnel services and related benefits	32,000	32,000	31,927	73
Domestic Violence Grant expense	6,600	6,600	6,600	-
Miscellaneous	25	25	23	2
TOTAL EXPENDITURES	<u>67,325</u>	<u>67,325</u>	<u>67,169</u>	<u>156</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,825)	(5,825)	(4,676)	1,149
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	4,741	4,741
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>4,741</u>	<u>4,741</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(5,825)	(5,825)	65	5,890
FUND BALANCES - BEGINNING	5,386	5,386	5,386	-
FUND BALANCES - ENDING	<u>\$ (439)</u>	<u>\$ (439)</u>	<u>\$ 5,451</u>	<u>\$ 5,890</u>

NON MAJOR SPECIAL REVENUE FUNDS

City Prosecutor Fund

This fund is used to account for activities of the City Prosecutor's office financed by revenue from court costs designated for that purpose.

Public Defender Fund

This fund is used to account for probation fees collected by the City Court.

Pre-Trial Diversion Fund

This fund is used to account for pre-trial diversion costs.

CITY COURT OF PLAQUEMINE
 PLAQUEMINE, LOUISIANA
 NON MAJOR SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 2008

	Prosecutor Fund	Public Defender Fund	Pre-Trial Diversion Fund	Totals 2008
ASSETS				
Cash	\$ 167	\$ 125	\$ 1,429	\$ 1,721
Accounts receivable	82	-	60	142
Prepaid expense	-	1,200	-	1,200
Interfund receivables	-	1,320	-	1,320
TOTAL ASSETS	\$ 249	\$ 2,645	\$ 1,489	\$ 4,383
LIABILITIES AND FUND BALANCES				
Interfund payables	\$ -	\$ 500	\$ -	\$ 500
Fund balances	249	2,145	1,489	3,883
TOTAL LIABILITIES AND FUND BALANCES	\$ 249	\$ 2,645	\$ 1,489	\$ 4,383

CITY COURT OF PLAQUEMINE
 PLAQUEMINE, LOUISIANA
 NON MAJOR SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Prosecutor Fund	Public Defender Fund	Pre-Trial Diversion Fund	Totals 2008
REVENUES				
Intergovernmental revenues	\$ -	\$ 7,230	\$ 17,417	\$ 24,647
TOTAL REVENUES	-	7,230	17,417	24,647
EXPENDITURES				
Salaries	-	21,630	16,500	38,130
Professional fees	-	6,400	-	6,400
Dues	95	-	-	95
Office supplies	-	-	15	15
Telephone	1,217	-	-	1,217
Miscellaneous	88	47	917	1,052
TOTAL EXPENDITURES	1,400	28,077	17,432	46,909
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,400)	(20,847)	(15)	(22,262)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	1,060	18,657	1,504	21,221
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(340)	(2,190)	1,489	(1,041)
FUND BALANCE, BEGINNING	589	4,335	-	4,924
FUND BALANCE, ENDING	\$ 249	\$ 2,145	\$ 1,489	\$ 3,883

AGENCY FUNDS

AGENCY FUNDS

Fines, Fees, and Costs Fund

The Fines, Fees, and Costs Fund is used to account for fines and costs collected for and payable to the City of Plaquemine, Court Expense General Fund, various state agencies, and the Marshal's Subpoena, City Prosecutor, and Public Defender Special Revenue Funds.

Civil Fund

The Civil Fund is used to account for advance-costs collected from plaintiffs filing civil suits. These costs are payable to the City Court of Plaquemine's Judge and Marshal and to the City Judges' Supplemental Compensation fund, as costs are assessed. The difference between the costs advanced by the plaintiffs and the costs assessed against the advance is classified as receivable from or payable to the plaintiff.

Garnishment Fund

The Garnishment Fund is used to account for collection and distribution of garnishments by the City Marshal. Garnishments are collected from garnishees by the Marshal on behalf of petitioners to be paid to the petitioners less a fee paid to the Marshal.

CITY COURT OF PLAQUEMINE
 PLAQUEMINE, LOUISIANA
 AGENCY FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 2008

	Fines, Fees, & Costs Fund	Civil Fund	Garnishment Fund	Totals 2008
ASSETS				
Cash	\$ 1,914	\$ 79,678	\$ 33,678	\$ 115,270
Account receivable	-	1,284	-	1,284
TOTAL ASSETS	<u>\$ 1,914</u>	<u>\$ 80,962</u>	<u>\$ 33,678</u>	<u>\$ 116,554</u>
LIABILITIES AND FUND BALANCES				
Other payables	\$ 1,914	\$ 80,962	\$ 33,678	\$ 116,554
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,914</u>	<u>\$ 80,962</u>	<u>\$ 33,678</u>	<u>\$ 116,554</u>

SUPPLEMENTARY INFORMATION

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Margaret A. Pritchard, CPA

Staci H. Joffrion, CPA

SCHEDULE 1

The Honorable Judge Michael Distefano
City Court of Plaquemine, Louisiana

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Plaquemine, a component unit of City of Plaquemine, Louisiana, as of and for the year ended December 31, 2008, which collectively comprise the City Court of Plaquemine, Louisiana's basic financial statements and have issued our report thereon dated March 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City Court of Plaquemine's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City Court of Plaquemine's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City Court of Plaquemine's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City Court of Plaquemine's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted principles such that there is more than a remote likelihood that a misstatement of the City of Plaquemine's financial statements that is more consequential will not be prevented or detected by the City Court of Plaquemine's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. (2008-1 and 2008-2)

SCHEDULE 1
(Continued)

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a likelihood that a material misstatement of the financial statements will not be prevented or detected by the City Court of Plaquemine's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City Court of Plaquemine, Louisiana's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit City Court of Plaquemine, Louisiana's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City Council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Baxley & Associates, LLC

Plaquemine, Louisiana
March 30, 2009

SCHEDULE 2

CITY COURT OF PLAQUEMINE PLAQUEMINE, LOUISIANA SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2008

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the City Court of Plaquemine.
2. Two significant deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the City Court of Plaquemine were disclosed during the audit.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2008-1 BANK ACCOUNTS

Condition:

It was noted that three bank accounts were not included in the year to date general ledgers. Bank accounts were missing from the Court Expense fund, the Civil fund, and the Pre-Trial Diversion fund.

Criteria:

All transactions should be recorded in the general ledger.

Effect:

Failure to record transactions from all bank accounts causes the financial statements to be misleading.

Recommendation:

All receipts and disbursements should be recorded in the appropriate fund.

Managements Response:

After the audit is complete, the City Court will hire an accountant to properly record the accounts in the general ledger.

SCHEDULE 2
(continued)

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008-2 PAYROLL REPORTS

Condition:

It was noted that payroll reports were not prepared for a salaried employee of City Court.

Criteria:

Federal law requires payroll reports to be submitted quarterly.

Effect:

Failure to prepare payroll reports causes the City Court to not be in compliance with federal law. Reconciliations should be performed between the general ledger and reports.

Recommendations:

Payroll reports such as 941's and W-2's should be prepared for all salaried employees of the City Court.

Managements Response:

This part time employee was employed after three months into the year with no benefits and was to be paid out of a special fund. A separate account was set up at the bank and payments were made to him from this account. Our accounting system failed to place the account in the general ledger causing us not to issue the proper payroll reports.

SCHEDULE 3

**CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

BANK ACCOUNTS

2008 – FINDING NO. 1

Condition:

It was noted that several bank accounts were not included in the year-to-date general ledgers. Bank accounts were missing from the Court Expense fund, and the Civil fund.

Recommendation:

All receipts and disbursements should be recorded in the appropriate fund.

Current Status:

The above condition still exists at 12-31-08. This is a repeat finding.

MISPOSTINGS

2008 - FINDING NO. 2

Condition:

Several mispostings were noted in the various funds i.e. transfers between funds.

Recommendation:

The interim financial statements and general ledger should be reviewed periodically for proper classifications.

Current Status:

This condition was corrected in the year ended 12-31-08.